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TITLE

**METHOD AND APPARATUS FOR OFFERING PROMOTIONAL INCENTIVES
ON THE WORLD-WIDE-WEB**

CROSS-REFERENCE TO RELATED APPLICATION

This application claims benefit of U.S. Provisional
Application No. 60/216,786, filed July 7, 2000, which is
hereby incorporated by reference.

BACKGROUND OF THE INVENTION

Field of the Invention

The present invention relates to methods and apparatuses
for offering promotional incentives. In particular such
methods and apparatuses that utilize the World Wide Web
to facilitate consumer participation in the promotional
incentive.

Related Background

It is a well known technique in the marketing of goods or services for manufacturers to offer to consumers promotional incentives to make particular purchases. One such promotional technique involves the manufacturer including items within the packaging of its products, or alternatively on the packaging itself, that provide an opportunity for the consumer to win some type of prize. Soft drink manufacturers, for example, have been known to offer promotions in which each bottle cap is provided with a removable panel which, when removed, indicates to the consumer whether or not he or she has won a prize. In such techniques, the large majority of caps manufactured include an indication that a prize has not been won, and a small number indicate that the prize has been won.

Such promotional incentive techniques, however, have certain drawbacks, among them being the requirement that the placement of the winning indicators be carefully monitored and controlled to ensure fairness of the promotion and prevent unscrupulous persons from attempting to "fix" the results of the promotion. To adequately protect the integrity of the promotion, manufacturers are often required to retain outside agencies to administer and audit the entire process, at considerable added expense. Such agencies conventionally are given the winning items and the responsibility not only to maintain secrecy but also to physically disburse the entries throughout the

geographic region covered by the promotion. This technique is cumbersome, costly, and not entirely tamper-proof.

5   Another problem with the conventional approach is that once the top prizes have been awarded, the word gets out, either through publicized award ceremonies, or by word of mouth, that the top prizes are no longer available, undercutting the continued effectiveness of

10   the promotion. This is particularly true in promotional techniques where there is only one very large top prize, such as a $1 Million instant coupon associated with a purchased product.

15   The traditional approach in awarding prizes also carries with it the disadvantage of limited contact between the consumer and the manufacturer. More specifically, in conventional models, consumers holding losing tickets have no incentive to register with or otherwise contact

20   the manufacturer; only winners have an incentive to make contact. This makes conventional approaches to awarding prizes less than optimal for achieving consumer outreach and contact. This problem is particularly acute when one considers that research indicates that promotions

25   tend not to increase aggregate sales. This fact, together with a lack of consumer contact, makes the overall worth of conventional promotions questionable.

       Also, the conventional promotional model discussed above

30   suffers from the drawback of affording the manufacturer little or no control over how many prizes must be paid

out, the timing of such payouts and the overall duration
of such contests.

Another disadvantage of conventional promotional
techniques is that they can require significant lead
times between the decision to run a promotion and the
actual date the promotion can begin. This is especially
true when the promotion involves a modification to the
package label or wrapper, as the new packaging material
must be printed, applied to the product and then
distributed throughout the pipeline.

One current promotional technique that utilizes
promotional codes printed on package labels is Kellogg's
"Eet and Ern" promotion, which at the time of filing
this application may be accessed on the Web at:
http://www.kelloggs.com/KWhtml/entry_points/index.html.

In the Kellogg promotion, consumers purchase specially
marked Kellogg products having game codes printed on the
packaging. By entering the codes from the package at
the game Web site, after having been registered,
participating consumers accumulate points that can be
used to redeem toys and other items displayed on the
Kellogg Web site. While the Kellogg promotion takes
advantage of the Internet for entering codes, it is not
a game or contest, since awards are not won on the basis
of which codes are on the packages purchased. In the
Kellogg, all codes are of equal value and the object is

simply to accrue as many points as possible, as in a
frequent flyer program, or S & H Green Stamps.

Thus, the need exists for promotional techniques that
solve the above-mentioned problems of the prior art,
while at the same time providing the consumer the
opportunity to participate in a contest of chance,
affording the opportunity to win prizes.

SUMMARY OF THE INVENTION

In view of the above-described deficiencies of the prior
art techniques, the present invention provides improved
methods and apparatuses for providing on-line
promotional contests.

In accordance with one advantageous aspect of the
present invention, there is provided a method of
administering a promotional contest. The method
comprises the steps of: providing to a consumer a
product the label of which includes an identification
code; enabling the consumer to input the identification
code into a prize redemption system; validating the
identification code; and determining whether the code is
a winning code that entitles the consumer to receive a
prize.

In accordance with another advantageous aspect of the
present invention, there is provided a server operable
to run a prize redemption program in which a consumer
has previously been provided with a product the label of

which includes an identification code. The server is operable to: enable the consumer to input the identification code into a prize redemption system; validate the identification code; and determine whether the code is a winning code that entitles the consumer to receive a prize.

In accordance with yet another advantageous aspect of the present invention, there is provided computer code executable on a server operable to run a prize redemption program in which a consumer has previously been provided with a product the label of which includes an identification code. The computer code comprises: code for enabling the consumer to input the identification code into a prize redemption system; code for validating the identification code; and code for determining whether the identification code is a winning code that entitles the consumer to receive a prize.

In accordance with still another advantageous aspect of the present invention, there is provided an apparatus for administering a promotional contest in which a consumer has been provided access to a product the label of which includes an identification code. The apparatus comprises: means for enabling the consumer to input the identification code into a prize redemption system; means for validating the identification code; and means for determining whether the code is a winning code that entitles the consumer to receive a prize.

BRIEF DESCRIPTION OF THE DRAWINGS

Fig. 1A is a block diagram of an Internet based implementation of the promotional method and apparatus of the present invention; and

Fig. 1B is a block diagram of a server/host computer of the Internet based implementation illustrated in Fig. 1A.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

Figures 1A and 1B illustrate hardware and software for implementing preferred embodiments of the method and apparatus for awarding prizes according to the present invention.

In a preferred embodiment of the present invention, a wide area network (WAN), such as the Internet, is utilized. Preferably included is an Internet (TCP/IP compliant) server that interacts with consumer client computers using the consumer computer's graphical user interface (GUI). The interface with the consumer computer preferably allows the consumers to connect to a promoter's computer in order to input identification codes, as will be described in more detail below. The above functionality is preferably achieved using a combination of server side applications, such as common gateway interface programs (CGI), for allowing the server to accept search terms and interface with

databases, and consumer side applets, such as Java applets, or the like, which execute in consumer browser software.

5   A preferred implementation of the present invention is illustrated in block diagram form in Figure 1A. In that figure, consumers operating computers 1 are connected to a wide area network (WAN) such as the Internet. Such connection can be direct or via an Internet service 10   provider (not shown). The consumer computers 1 each preferably include communications hardware and an operating system with graphical user interface (GUI) functionality to allow for interface with the Internet. Each consumer computer preferably has graphical World 15   Wide Web (Web) browser software, such as Netscape Navigator or Microsoft Internet Explorer, loaded thereon operable to read and send Hypertext Markup Language (HTML) forms from and to an Hypertext Transfer Protocol (HTTP) server on the Web. Other programming languages 20   can be used, such as Extensible Markup Language (XML) and the sub-languages derived from XML. The consumer computer 1 preferably is operable to act as a virtual machine to run Java applets, or the like, downloaded by the browser from the server.

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Promoter server/host computer system 2 receives information from consumer computers 1 over the Internet. The promoter server system 2 preferably includes hardware, HTTP compliant software, an operating system 30   and common gateway interface (CGI) software for interfacing with input queries and sources of data.

A preferred implementation of the promoter server/host computer system 2 is illustrated in block diagram form in Figure 1B.

5   As shown in the figure, promoter server/host system 2 is controlled by software functions of server process 5. Among the constituent software components within the server process 5 is the consumer interface process 10. Consumer interface process 10 functions to interface

10   with, in the preferred embodiment, consumer computers 1. Interface process 10 executes functions in response to input from consumer computers 1. HTML page generator 20 responds to requests from the consumer computers 1 for HTML pages 30, which themselves are stored in, or are

15   available to, the server. Transaction 40 stores information for the present transaction and the transaction is completed by transaction processing module 45. Database process 50 interfaces the server process 5 with database 55, using CGI techniques well

20   known in the art.

In operation, in the Internet implementation, a consumer typically would type in a Uniform Resource Locator (URL) of the promoter server/host 2 and receive from the

25   promoter server 2 an interactive form, such as an HTML document, as well as any Java applets, or similar object-oriented code suitable for running on the consumer's browser.

30   In a preferred embodiment of the present invention, a consumer wishing to participate in the promotion of the

present invention must begin by registering for the
promotion. The registration form is preferably
presented as a HTML form on the Web site of the
promotion and will contain several required fields that
could be useful to the promoter. Preferably, all such
information is stored, and may be retrieved, utilizing
CGI techniques known in the art. The registration
information may include information such as the
registrant's name, e-mail address, ethnicity, address,
age, gender, income, education, etc. In addition to its
use in managing the game, the gathered information is
available for use in a marketing/consumer research
context. When registration data is entered, the
consumer preferably is afforded the opportunity to
choose a username and password for their account, and
preferably a free entry code for the promotion as a
"thank you" for participating in the promotion.

To begin the prize verification process the consumer
enters an identification code or number that he or she
has taken from a wrapper or other packaging associated
with a qualified product, or included within such
packaging. Preferably, the software controlling the
promoter server/host computer 2 is operable to cause the
computer to send to the consumer instructions as to how
to enter additional codes, if any, for example by
providing a prompt and a hypertext link to additional
data entry HTML forms.

In practice, in the Internet implementation, when the
consumer has purchased promotional product and wishes to

enter new identification code numbers into his or her
account, the consumer enters into his or her browser the
URL that brings the consumer to the home Web site of the
promoter. Upon entering the site, the consumer is

5   preferably presented with a particular HTML page 30.
The presented page preferably includes a form for
entering additional identification codes. The form is
generated by HTML page generator 20 to provide a user
interface for transaction 40. When the consumer enters

10   his or her additional identification code, that code is
stored via database process 50 on database 55 to
associate that code with a username created for the
consumer during the registration process. After storage
of the code, transaction process 45 determines whether

15   the code is a valid code.

The code entered by the consumer can be validated in a
number of ways. The simplest way is to compare the
entered code with a list of active codes, preferably

20   stored in database 55. A preferred additional method of
verification utilizes a two-part code — one half of the
code is the unique identification code which can only be
viewed by opening the package and the other half is the
manufacturer's code date / manufacturing information.

25   Within database 55, the valid pairs of identification
code and code dates (based on time of manufacturing) are
stored.

Another preferred method of code validation is to

30   incorporate an internal self-consistency in the
identification codes, such as a check-sum value. An

example of this would be to require that the 2nd and 5th digit of the code must always sum to 13. An important aspect of the validation cycle is the tracking in database 55 of the number of codes that have been

5   entered and determined by transaction process 45 to be invalid codes. The promoter can establish a threshold for the acceptable number of invalid codes that may be entered. Any consumer/user who exceeds this limit may be rejected from the system and not permitted to

10 participate in the promotion or referred to a system administrator. This is to discourage fraudulent entries and systems such as "war dialing", in which a computer is programmed to send numbers or codes to another computer continuously.

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If transaction process 45 determines that the code is valid, database process 50 notes this fact in database 55. Regardless of the details of the prize structure of the promotion, in the preferred embodiment of the

20 present invention, valid codes fall into one of five classes as follows: expired, redeemed, winning, pending and losing.

Expired codes are identification codes that are not

25 within the scope of the current promotion (i.e. they are too old). Redeemed codes are codes that are associated with prizes where the consumer has already redeemed their prize(s). Winning codes are codes associated with prizes where the consumer has not yet redeemed their

30 prize(s). Pending codes are codes that are active in the current promotion but have not yet been designated

as winning or losing codes. Losing codes are active in
the current promotion, but are not associated with
primary prizes.

5   In one embodiment of the invention, entry of a
sufficient number of losing, but valid, codes can make
the consumer eligible for a "consolation" prize. This
advantageously reduces consumer discouragement that
accompany repeatedly being informed that you have not
10   won a prize. After the class of the identification code
has been determined, database 55 is updated to reflect
the classes of the identification codes.

After server process 5 has accepted, validated and
15   recorded the identification code, the consumer has the
opportunity to review his or her game status by
accessing the account information stored in database 55
via an appropriate one of HTML pages 30. Database
process 50 uses known CGI techniques, for example, to
20   move information into and out of the database 55 and to
and from the consumer. The HTML page viewed by the
consumer can take several forms. In one embodiment,
that consumer's previously entered identification codes
are made visible on the promoter's HTML home page and
25   his or her status (as indicated by the classes described
above) is automatically updated when there is a change.
In another embodiment, the consumer actively requests,
for example by clicking on a link, that the display be
updated. In one preferred embodiment of the present
30   invention, when an identification code's status changes
to winner, the consumer who owns that code is sent an e-

mail notification of the class change of his or her
identification code.

A number of advantageous embodiments for implementing
the present invention are outlined below. Of course,
the present invention is not limited to the illustrated
embodiments.

In one such embodiment, any identification code or
number associated with a prize is previously assigned as
a winner/loser and the consumer, upon checking in to the
prize redemption Web site, is instantly advised as to
their prize status upon entry of the code. The previous
assignment of the winning code or codes is preferably
performed completely at random, for example, by means of
random number generating algorithms well known in the
art. Preferably, upon entry of a code by the consumer,
the server simply compares the entered number with a
secure database area reserved for winning numbers.
Alternatively, the winning numbers can be accessible
over a secure link from a remote prize verification
server, either in the control of the promoter or of an
outside monitoring agency. The verification by the
prize verification server can be made by offering the
consumer a link to that server. In a variation of this
embodiment, the system is programmed to distribute
winners at a predetermined rate throughout the
promotional period to avoid a problem in which customers
lose interest after hearing about a winner early in the
promotional period.

In a variation of the foregoing embodiment, the winning and losing codes are predetermined in the manner discussed above. However, in the variation, the notification of the code's status as a winning code is deferred until end of promotional period. This is preferably accomplished by storing the username of the consumer entering the winning code in a winners area in the database, together with the winning code, and notifying the winner, preferably by e-mail, at the end of the promotional period.

In another advantageous embodiment of the present invention, the act of entering an identification code has the effect of placing that code in a virtual hat. The virtual hat would preferably be comprised of locations in a database, either stored at the promoter computer server, or at a remote site of an outside verification agency. At the end of the promotional period, a number is virtually drawn from the virtual hat, for example by use of a random number generating algorithm. To ensure fairness and to engender confidence in the results, the generation of the winning code or codes also may preferably be performed independently of the promoter's site. The winner is notified, by e-mail or by any other conventional means. Alternatively, instead of sending an e-mail notification to the winner, the winning number may be posted on a Web site, preferably the Web site of the promoter. In another variation, to induce additional purchases, each purchase provides the purchaser another chance in the virtual hat for prize drawings.

In a variation of the foregoing embodiments, a "small" prize may be pre-associated with certain of the codes, to be awarded immediately, while other codes are placed in a virtual hat, to be drawn from at the end of the promotion period. This method has the advantage of maintaining interest in the promoter's Web site, since there is always the chance of being awarded an instant prize, while at the same time stimulating long term interest that results from the fact that larger prizes will be awarded in the future.

In another embodiment of the present invention, a prize associated with an entered code is randomly generated at the time the consumer enters his or her code and the consumer is instantly advised whether they have won a prize. This embodiment offers increased consumer excitement since each entry of a code acts in much the same way as a virtual slot machine. This embodiment is preferably implemented by utilizing a random number generating algorithm and comparing some or all of the digits of the entered code with the number produced by the random number generator.

The random prize generation technique described in the foregoing paragraph can be substituted for the pre-assigned winning codes in any of the previously described embodiments described as utilizing pre-assigned winning codes. Alternately, a combination of pre-assigned winning codes and instant random winners can be implemented as a variation of any of the

embodiments described above. For example, in such a
variation, upon entry of a code by the consumer, the
server computer performs a random number generation
operation and the generated random number is compared to
5   the entered code. If the numbers match, the consumer is
an instant winner, and is so informed. If there is no
match, the consumer is informed immediately that, while
not an instant winner, the number will be entered into
the virtual hat for a later drawing for a prize.

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In another embodiment of the present invention, the
entered code is placed into a virtual hat, as in
previously described embodiments, but with multiple
periodic draws for winners. This technique has the
15   advantage of maintaining consumer interest in the
promotion over a longer period of time, since the
periodic draws offer the promoter the opportunity to
advise consumers of upcoming drawing dates throughout
the promotional period. Preferably, in this embodiment,
20   the promoter has the option of carrying over codes from
one draw to the next. Thus, a losing code for the first
half of the promotion may become a winning code in the
second half. This would entail a new draw, in the
manner described above, of all previously entered codes,
25   even those previously determined to be losing codes.
Preferably, the promoter retains the right to exclude
from any subsequent draw winning codes from any previous
drawing period.

30   The present invention allows the number of winners and
the odds of winning to be adjusted by the administrator.

In one embodiment, this functionality is utilized to, for example, provide more prizes at the beginning of the promotional period and reducing the number of prizes as the promotion goes on. To offset this, it is possible to increase, that is "ramp up", the value of the prizes that are awarded as the number is decreased. This technique would provide a strong incentive to play early, as the odds of winning are greater, while continuing to provide interest in the promotion throughout the promotional period by means of the ever-increasing prize values.

Another embodiment of the present invention uses the virtual hat technique described in detail above. However, in this embodiment, instead of drawing a code at a specified date, a cut-off date for entry is set. After that cut-off date, the pool of codes diminishes over time. This can be accomplished by using a random number generating algorithm to generating random codes to delete from the pool, either at a fixed rate, or at certain specified times during the promotion. To add to the excitement, the consumers can check, for example on the Web site of the promoter, at any time during the promotion to see if their numbers are still "alive". An especially preferred variation of this embodiment would have the total set of code-containing wrappers be distributed and certain codes start dying off at a specified time. When the consumer enters his or her code at the Web site, he or she is informed if that code is still alive or has already expired.

Preferably, in any of the above scenarios, consumers who have registered on the Web site are provided with the ability to check on the status of their codes simply be going to the Web site of the promotion. Upon entry to the site, the consumer signs in either automatically, by server recognition of cookies previously placed in the consumer's computer, or by the consumer signing in with his or her username and password.

In an advantageous variant of any of the above scenarios, a consumer may pool and "cash-in" small prizes for a larger prize, thus encouraging small winners to continue playing and not simply assume they have received their one lucky break. In addition, or alternately, consolation prizes can be provided whereby a certain number of non-winning codes will be sufficient to win a prize.

In the above scenarios, for verification purposes, contest code and code date (indicating information such as date and time of manufacture, manufacturing facility, expiration date, etc.) can be checked by the server so that the manufacturer remains aware of what prize codes were associated with which codes dates.

Combining registration information (name, age, address, etc.) with promotional code entry history can provide a source of market research/consumption data. To prevent cheating, if a consumer enters an excessive number of invalid combinations, that consumer is preferably disqualified from further participation.

Note that it is preferable in the present invention to continually print codes on products even when promotions are not active, thus affording an opportunity to start a promotion instantly by declaring that all products past a certain code date are now eligible. This would have the advantage of increasing the number of hits at the Web site as people would check in periodically to find out about any new promotions that may be offered.

Although the present invention has been described as involving reading a game code off of packaging, in an alternative way of participating in the game, instead of reading a code off of packaging, a consumers can receive a code, and thus a chance to win, as a reward for providing demographic data about themselves at the Web site. This will provide the consumer with incentive to continue the game, in order to obtain more codes, by purchasing products having the codes.

Although the present invention has been described in terms of an example that includes the Internet and a Web site, the present invention is not so limited. The identification code to be discussed in detail below could, for example, be entered at a standalone kiosk which might be connected to a center connection via the Internet or some other medium. Alternatively, the identification code could be entered through a telephone system and either a manual or automated call handling system on the receiving end. Another example would be to link a promotion to other enterprises, for example, on a mall-wide scale, e.g., "at the Lehigh Valley mall

tonight a winner will be declared just before the mall closes".

Other variations and modifications of this invention will be apparent to those skilled in this art after careful study of this application. This invention is not to be limited except as set forth in the following claims.